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Government by Commission
and the
Relation of Corporate Business to
National, State and Municipal
Governments

Excerpts from Address Delivered by George W. Davis
Before Round Table Club



New Orleans, La.

February 8th

1912



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THE AUTHOR**

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Government by Commission and the Relation of Corporate Business to National, State and Municipal Governments

EXCERPTS FROM ADDRESS DELIVERED BY GEORGE H. DAVIS
BEFORE ROUND TABLE CLUB

NEW ORLEANS, LA., FEBRUARY 5TH, 1912

This paper is entirely academic and has no significance other than an unbiased review of what may be in the interests of all citizens.

Change in individuality is the basic law of nature. We find there is a perpetual adjustment of our surroundings. This law is as applicable to the policies of governments and ideas of the people as to the material universe with which we are familiar. Government by commission is as old as government itself. Its present appearance is only in accordance with the law of cycles, the same as the changes in the fashions of dress, types of architecture and ideas of life.

Aristotle's cycle of degeneracy and revolution is to the effect that the first form of government for each state is monarchical, which degenerates into tyranny, followed by revolt, resulting in an aristocracy. This in its decline becomes a selfish oligarchy, which is succeeded by democracy. Since democracy also becomes degenerate, breaking out in license and anarchy, order can only be brought out of chaos through a Caesar and an empire. This only illustrates the fact that history repeats itself. It need not be inferred however, that in the cycles of politics, business and invention there is no change for the better; the contrary is axiomatically true. The cycles finally broaden into infinite diameters and their arcs approach straight lines. Although humanity has existed for more than 6,000,000 years it did not recognize itself until within 6,000 years and its principal achievements in inventions, material betterments and prolonging of life have been within 200 years. The most startling developments have occurred in the last fifty years. What has been

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accomplished in this latter brief period is only an indication of future progress in geometrical progression.

On this basis it is natural to assume that in the evolution of government through ancient, medieval and modern times, there has been as marked an advancement. From our present experience and a knowledge of the past, the representative government established by the wonderful body of men that were active in the signing of the Declaration of Independence, fighting the War of the Revolution and the preparation of the Constitution of our nation, accomplished far more in this direction than all that history had previously recorded. This structure inherited by us, like other human products, was not perfect and was never claimed to be. The necessity of its constant modification in detail is in accordance with the general law of change. We have fought centralization from the beginning and endeavored to maintain the system of "checks and balances" provided by the Constitution. Rome was a republic for nearly 500 years preceding the period of the Empire. The first triumvirate, 60 B. C., composed of Pompey, Crassus and Caesar, was as completely a government commission as our commissions of three established in the various cities to-day. In this ancient commission, Caesar very promptly became the dictator of its policies. Again in 43 B. C., the second commission was formed, being the second triumvirate, in which Octavian with Antonius and Lepidus became the executive and legislative rulers of the state. They had supreme authority for five years, followed by an additional equal term, and after the Battle of Actium, 31 B. C., Octavian became supreme. Again, after the French Revolution, there appeared a form of national commission government in a Consulate composed of Napoleon, Sieyes and Ducos, in which Napoleon became First Consul, and finally Emperor. This governmental development occurred almost in parallel with the growth of our representative government in America and its failure is attested by later empires and the present French Republic. All the nations of this continent have adopted a representative form of national rule and the latest development is the republicization of the most backward nation of the earth, the Chinese Empire.

If commission government is applicable to cities, it is as well applicable to states and to the nation. To illustrate, if commission government were a success in our metropolis, with more than 5,000,000 population, it would be equally a success in the State of Rhode Island with a population of 550,000. If the commission form of government is applicable in principle, it is universally applicable.

In our times, all movements originate with the people and in general in the urban populations. The sentiment of the individual groups of population as exemplified in city commissions consolidates into movements by individual states, and finally by the consolidation of all states, which crystalizes into a national sentiment and becomes

a national policy. This, if carried into effect, will result in a third and other triumvirates with a Caesar as Chairman and Emperor. The origin of these movements is in the dissatisfaction of the people based upon their experience with the established order. The great mass of people are not always sufficiently analytical to clearly diagnose conditions and for this reason, are unable to locate the causes of inefficiency which they deplore. Our representative government was founded on the idea that the best men of a community would be chosen as its representatives. This in many instances has not been realized. The people have not been as careful in the conduct of their community business as they have in the conduct of their private business. In the management of a private business, no large concern would send a representative to Washington or to other distant points to handle its affairs, except under the careful supervision of the owners as to his conduct and business efficiency. The remedy for our present troubles is not a radical change in our governmental plans, blindly drifting to imperialistic sentiment and action. In American politics, we are familiar with the indifference shown by eligible voters in the exercise of the right of suffrage. Corporations and businesses interested in estimating the population of cities usually multiply the number of votes cast at a prominent election by six to arrive at the population including men, women and children, in any community. The average family in the United States consists of less than five persons. There should be at least one voter in each family and according to experience as cited, not more than five-sixths of the voters now eligible exercise their suffrage rights. The lack of the intelligent and independent exercise of the suffrage is the initial cause of our present difficulties and the lack of supervision of the conduct of public officials by their constituents is the final cause.

Government by commission in cities is not the only form of commission government now in effect. For example, Congress has largely delegated its powers of legislation relating to railroads to the Interstate Commerce Commission. Similarly, legislatures, and City Councils have in many cases delegated their powers to Public Service and other Commissions. Our representatives, through this procedure themselves admit their own inefficiency and lack of industry in carrying into effect the business for the conduct of which they are elected and paid. In other words, the people now have numerous examples of dual government procedure, one the representative form, and another the delegated form. No one for a moment expects representatives of the people in Congress, legislatures or city councils to be specialists on all problems, or, in fact, any of the problems which are to be dealt with in the course of public business. It is proper for public officials to employ, and they should employ, any specialists that are necessary for their complete knowledge of any matter under consideration. But these

specialists should have no authority or powers, legislative, executive or judicial. Their sole usefulness should be limited to the advising of public officials in matters of law, finance, engineering, architecture, science and all the additional departments of knowledge and experience necessary to a clear judgment on the part of the established legislative, executive and judicial bodies.

Regarding the present status of the city commission movement, the publications of the country are full of detailed information and statistics. It would not be desirable to enter into tedious tabulations relating to the cities and populations now under commission government. There are at present nearly two hundred cities and towns of the United States having commission charters. A map locating these cities would at once show that the commission idea particularly prevails in the western half of the Mississippi Valley, commencing at the mouth of the Rio Grande River and extending as far North as North Dakota. It particularly prevails in Kansas, Oklahoma, Texas and Northern Illinois.

As mentioned by Bradford in "Commission Government in American Cities:"

"It appears that there are at least five items found in all commission laws: (1) Both legislative and administrative authority is exercised by the same governing body; (2) each member of which is placed in charge of a division of the administrative work of the city, usually a department; (3) the Board is small, having never more than ten members and usually not over five; (4) all the members are elected by all the voters of the city, not by wards; and (5) one or more methods of direct popular control, besides methods of publicity, in which are usually included the referendum, initiative and recall. * * * A predominating feature appears, upon closer examination of these elements and study of their significance, to be the first, the centering of both legislative power and administrative authority in one small board."

In placing the legislative and executive authority in one body we are proceeding diametrically contrary to our established governmental plan. A cardinal feature of our present governmental system is geographical representation by wards, districts and states, which is eliminated in the commission plan.

It is not necessary to have a large city council, but it is essential, among other things, to have a geographical representation.

Commission charters generally provide for adequate salaries to commissioners. If this principle were adopted in our present system it would result in its extreme improvement by attracting the ablest men to the service.

Referring to particular cases of committee or commission rule, we may cite a few cases of emergency and those of deliberate action:

The Committee of forty established in San Francisco after the disaster in 1906, came merely as an expression of the lack of confidence of the people in their representatives. The first public act was the appointment of this Committee consisting of the best and ablest men of the city, which was entrusted with the conduct of its affairs through the extreme misfortune and stress of the period. No one looked to the then supervisors of the city for assistance. Even the police department was superseded by the militia of the State. The government of the city was finally in the hands of the Committee of forty and the policing of the city was in charge of the regular army. The Committee of forty as established in San Francisco was entirely a representative body. The various members of the Committee represented different sections of the city and its diversified interests. This experience in a vivid manner proves the assertion that it is not essential to establish a small non-representative commission in any community, or in city, state or nation, to accomplish results. No one ever questioned the efficiency of this Committee of forty, although it was twice as large as most city councils. An organization so completely satisfactory under such conditions certainly should be efficient in the conduct of average affairs.

Regarding the relation of corporate business to the commission idea, it is first essential to state that corporations are merely confederations of individuals. Instead of such an association being soulless, as is commonly asserted, it is a summation of all individuality and is stronger, wiser and, in some cases, possibly better than any individual. Stockholders in corporations and their officers have their individual and private businesses. Their relations are so interlaced that there is now and always will be as much diversity of opinion and action regarding any governmental movement as among our millions of individual agriculturists. The policy and attitude of one corporation may be diametrically opposite from that of another. Everything depends upon locality, sectional laws and sentiment of the individual citizen forming the corporate group. In the abstract present corporations as such do not enter politics. Their stockholders, officers and employes are as free as the air to vote and act as they choose. Even if the corporations sought to do otherwise it would be an impossible undertaking. Americans take pride in being free men and money in our day at least cannot buy real American citizenship.

As stated before, corporations are not soulless and their patriotism in the collective is the patriotism of their stockholders and employes.

The great mass of created wealth, amounting to more than \$500,000,000,000, in the world's possession is the production of the

immediate past. Classifying the wealth of the United States only, there is invested in:

Agriculture	\$35,000,000,000.00
Railroads	15,000,000,000.00
Manufacturing	17,000,000,000.00
Miscellaneous	77,000,000,000.00

The estimated average rate of income upon this is 7.83% per annum, equivalent to \$11,277,000,000, or \$626.50 per family of five. The annual wage income of the 35,000,000 engaged in specified occupations is \$21,000,000,000, which, with the income on account of property ownership, results in a total income per family of, approximately, \$1,800.00 per annum. This wealth is created principally in the production, transportation and use of commodities.

Classifying our 90,000,000 of population according to occupation, we have engaged in:

Agricultural pursuits	35%
Trade and Transportation.....	15%
Manufacturing and mechanical pursuits.....	25%
Miscellaneous	25%

In connection with this great fabric of industry and wealth, Dodd says:

"You might as well endeavor to stay the formation of the clouds, the falling of the rains, or the flowing of the streams as to attempt, by any means, or in any manner, to prevent organization of industry, association of persons and the aggregation of capital to any extent that the ever growing trade of the world may demand. I do not prophesy an era of perfection. The golden age of the future is a mirage as the golden age of the past is a myth. But men whose integrity is such as to permit them to be entrusted with the management of large capital, whose intellectual grasp of principles and details is such as to command with their products the markets of the world are those who will soonest realize that the policy which succeeds is that which accords fair treatment to all, be they competitors, consumers or employes; that there is nothing so sharp or so shrewd as honor; that nothing wins like justice; that the well being of one depends on the well being of all."

There are but few dispassionate descriptive statements regarding the commission government plan. Daily recently states in one of the publications that "when we used the national scheme of government as a model for our cities we thought we had established

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